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**RECREATION DISTRICT NO. 39A OF TANGIPAHOA PARISH  
INDEPENDENCE, LOUISIANA**

**REPORT ON COMPILATION OF GENERAL PURPOSE FINANCIAL  
STATEMENTS**

**AND**

**REPORT ON APPLYING AGREED-UPON PROCEDURES**

**INCLUDING THE**

**LOUISIANA ATTESTATION QUESTIONNAIRE**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/20/02

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

As of and For the Year Ended June 30, 2002

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# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
HAMMOND, LA • AMITE, LA

John N. Durnin, CPA  
Dennis E. James, CPA

Member  
American Institute of CPA's  
Society of Louisiana CPA's

September 13, 2002

## Accountants' Compilation Report On the Financial Statements

Mr. Charles Baglio, Chairman  
and the Members of the Board of Commissioners  
Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

We have compiled the accompanying general purpose financial statements of the Recreation District No. 39A of Tangipahoa Parish, Independence, Louisiana, a component unit of the Tangipahoa Parish Council, as of June 30, 2002, and for the year then ended, as listed in the table of contents, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the Recreation District No. 39A of Tangipahoa Parish. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The information included in the accompanying Schedule 1 is presented only for supplementary analysis purposes. Such information has been compiled from information that is the representation of the Recreation District No. 39A of Tangipahoa Parish without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,

Durnin & James, CPAs  
(A Professional Corporation)

**General Purpose Financial Statements  
(Combined Statements – Overview)**

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Exhibit A

Combined Balance Sheet – All Fund Types and Account Groups

	Governmental Fund Types			Account Groups			Totals
	General	Debt Service		General Fixed Assets	General Long-Term Debt	(Memorandum Only)	June 30, 2002
<b>Assets and Other Debits</b>							
Cash	\$ 66,251	\$ 36,492	\$ -	\$ -	\$ -	\$ -	\$ 102,743
Taxes Receivables (Net of Allowances for Uncollectibles, Where Applicable)	-	4,822	-	-	-	-	4,822
Fixed Assets (Net of Accumulated Depreciation, Where Applicable)	-	-	-	606,910	-	-	606,910
Restricted Assets:							
Amount Available in Debt Service Fund	-	-	-	-	41,314	41,314	
Amount to be Provided for Retirement of Debt	-	-	-	-	194,501	194,501	
Total Assets and Other Debits	\$ 66,251	\$ 41,314	\$ -	\$ 606,910	\$ 235,815	\$ -	\$ 950,290
<b>Liabilities</b>							
General Long - Term Debt	-	-	-	-	235,815	235,815	
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 235,815	\$ -	\$ 235,815
<b>Fund Equity and Other Credits</b>							
Investment in General Fixed Assets	-	-	-	606,910	-	-	606,910
Fund Balance:							
Reserved for Debt Service	-	41,314	-	-	-	-	41,314
Unreserved, Undesignated	66,251	-	-	-	-	-	66,251
Total Fund Equity	\$ 66,251	\$ 41,314	\$ -	\$ 606,910	\$ -	\$ -	\$ 714,475
Total Liabilities and Fund Equity	\$ 66,251	\$ 41,314	\$ -	\$ 606,910	\$ 235,815	\$ -	\$ 950,290

See accompanying notes and accountants' report.

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Exhibit B

Combined Statement of Revenues, Expenditures, and Changes  
in Fund Balances – All Governmental Fund Types

For the Year Ended June 30, 2002

	General	Debt Service	Totals (Memorandum Only)
<b>Revenues:</b>			
Taxes	\$ -	\$ 107,294	\$ 107,294
Revenue Sharing	21,722	-	21,722
Interest	885	699	1,584
Miscellaneous	935	-	935
<b>Total Revenues</b>	<b>\$ 23,542</b>	<b>\$ 107,993</b>	<b>\$ 131,535</b>
<b>Expenditures:</b>			
Current:			
General Government	5,548	\$ -	\$ 5,548
Parks and Recreation	14,963	-	14,963
Capital Outlay	19,049	-	19,049
Debt Service:			
Principal Retirement	-	54,862	54,862
Interest	-	15,144	15,144
Miscellaneous	-	4,041	4,041
<b>Total Expenditures</b>	<b>\$ 39,560</b>	<b>\$ 74,047</b>	<b>\$ 113,607</b>
Excess (Deficiency) of Revenues over Expenditures	(16,018)	33,946	17,928
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	30,930	4,376	35,306
Operating Transfers (Out)	(4,376)	(30,930)	(35,306)
<b>Total Other Financing Sources (Uses)</b>	<b>26,554</b>	<b>(26,554)</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Sources over Expenditures & Other (Uses)	10,536	7,392	17,928
<b>Fund Balance at Beginning of Year</b>	<b>55,715</b>	<b>33,922</b>	<b>89,637</b>
<b>Fund Balance at End of Year</b>	<b>\$ 66,251</b>	<b>\$ 41,314</b>	<b>\$ 107,565</b>

See accompanying notes and accountants' report.

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Exhibit C

Statement of Revenues, Expenditures, and Changes in Fund Balance --  
Budget (GAAP Basis) and Actual -- General Fund

For the Year Ended June 30, 2002

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Revenue Sharing	\$ 22,742	\$ 21,722	\$ (1,020)
Interest	-	885	885
Miscellaneous	-	935	935
Total Revenues	\$ 22,742	\$ 23,542	\$ 800
Expenditures:			
Current:			
General Government	\$ 4,200	\$ 5,548	\$ (1,348)
Parks & Recreation	18,800	14,963	3,837
Capital Outlay	16,000	19,049	(3,049)
Total Expenditures	\$ 39,000	\$ 39,560	\$ (560)
Excess (Deficiency) of Revenues over Expenditures	(16,258)	(16,018)	240
Other Financing Sources (Uses):			
Operating Transfers In	-	30,930	30,930
Operating Transfers (Out)	-	(4,376)	(4,376)
Total Other Financing Sources (Uses)	-	26,554	26,554
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other (Uses)	(16,258)	10,536	26,794
Fund Balance at Beginning of Year	52,700	55,715	3,015
Fund Balance at End of Year	\$ 36,442	\$ 66,251	\$ 29,809

See accompanying notes and accountants' report.



Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements

June 30, 2002

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Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements

June 30, 2002

**1. Summary Of Significant Accounting Policies**

The Recreation District No. 39A of Tangipahoa Parish, Independence, Louisiana (the "District") was created by an ordinance of the Tangipahoa Parish Council on April 22, 1996, as a recreation district to consist of territorial lands and property, both real and personal, in the parish, in accordance with R.S. 33:4562 et seq, and Article 6, Section 19 of the Louisiana Constitution of 1974 and other constitutional and statutory authority supplemental thereto, to be a body corporate in law and a subdivision of the State, known as "Recreation District No. 39A of Tangipahoa Parish (the "District")."

The District contains within its limits one municipality, Independence. The governing body of this municipality has given consent to inclusion of such municipality in the District. The District shall be and is a political subdivision of the State, within the meaning of the constitution and statutes of the State relating to incurring debt and issuing bonds therefor.

The objectives and purposes of the District are to own and operate playgrounds and other facilities and generally to engage in activities which would promote recreation and any related activity designed to encourage recreation and promote the general health and well-being of youths and all of the goals and purposes as authorized by law.

In accordance with R.S.33:4564, the Tangipahoa Parish Council appointed a board of seven (7) commissioners who are qualified electors and residents of the area covered by the District created by this division, two (2) of the members of the board being qualified voters and residents of Independence. The seven (7) commissioners initially appointed shall be appointed for terms of two, three, four and five years respectively (1-1 year, 2-2 years, 2-3 years, 1-4 years, 1-5 years), and they shall serve until their successors shall have been appointed and qualified. All commissioners thereafter appointed at the expiration of such respective terms shall be appointed by the parish council for terms of five years. Any vacancy which otherwise occurs shall be filled by appointment of the parish council for the unexpired term. In making such appointments due regard shall be had for the requirement that the board of commissioners shall include at least two qualified voters and residents of the municipality which has been included in the District by consent of its governing authority.

The accounting and reporting policies of the Recreation District No. 39A of Tangipahoa Parish conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, *Audits of State and Local Governmental Units*.

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Parish Council to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council appoints the board members and has approval over their taking authority, the Recreation District No. 39A of Tangipahoa Parish was determined to be a component unit of the Tangipahoa Parish Council, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the Recreation District No. 39A of Tangipahoa Parish and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

B. Fund Accounting

The accounts of the Recreation District No. 39A of Tangipahoa Parish are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

C. Fixed Assets And Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheet.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs, gutters, streets, and drainage systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.



Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

D. Basis Of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. All major revenues are susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued (Note (1)H); (2) principal and interest on long-term debt which is recognized when due; and (3) expendable operating supplies which are recorded as expenditures at the time of purchase under the "purchase method" (note (1)G).

E. Budgets And Budgetary Accounting

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

2. The Chairman must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$250,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed budget was submitted to the board of commissioners on June 1, 2001. Upon acceptance by the board, the proposed budget was not published in the official journal in each parish in which the District has jurisdiction because the proposed expenditures for the general fund were less than \$250,000.
3. A public hearing on the proposed budget must be held at least ten days after publication of the call for the hearing. A public hearing was not held on the proposed budget because the proposed expenditures for the general fund were less than \$250,000.
4. After the public hearing, the budget is adopted by ordinance. All action necessary to adopt and implement the budget must be completed prior to the end of the fiscal year in progress. The budget was adopted on June 1, 2001.
5. The District must certify completion of all actions required to adopt and implement the budget by publishing a notice in the official journal in each parish in which the District has jurisdiction.
6. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was not amended.
7. All budgetary appropriations lapse at the end of each fiscal year.

The District did comply with the provisions of state law regarding the budget.

F. Cash And Cash Equivalents And Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the District may deposit funds in demand deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. Inventory

The District utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at June 30, 2002, as the amount is not material.

H. Accumulated Compensated Absences

The District has no policy recording employees' vacation pay and employees' sick leave benefits as the District has no full-time employees. As a result, the District has no accumulated compensated absences requiring recognition in accordance with GASB Statement 16.

I. Pension Plans

The Recreation District No. 39A of Tangipahoa Parish is not a member of any retirement system. The District is a member of the social security system.

J. Total Columns On Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	<u>2001 Authorized and Levied Millage</u>
Debt Service Fund	15.00

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the District during the year and actually billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The



Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

Tangipahoa Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Tax Assessor of Tangipahoa Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2002, the District levied 15.0 mills for a total tax levy of \$109,637 on taxable property valuation totaling \$7,308,967.

**3. Cash And Cash Equivalents**

At June 30, 2002, the District had cash and cash equivalents (book balances) totaling \$102,743, as follows:

Interest Bearing Demand Deposits	<u>\$ 102,743</u>
Total	<u>\$ 102,743</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2002, the District had \$102,828 in deposits (collected bank balances). These deposits are secured from risk as follows:

Federal deposit insurance	\$ 100,000
Pledged securities (GASB Category 3)	<u>415,562</u>
Total Security	<u>\$ 515,562</u>
 Excess Secured Balance	 <u>\$ 412,819</u>

At June 30, 2002, the District did comply with the provisions of state law that requires public funds to be secured from risk by a pledge of securities by the fiscal agent bank.



Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

**4. Receivables**

The following is a summary of receivables at June 30, 2002:

<u>Class of Receivable</u>	<u>Debt Service Fund</u>	<u>General Fund</u>
Ad Valorem Taxes	\$ 4,822	\$ -
Revenue Sharing	-	-
Allowance for Uncollectibles	-	-
Total	<u>\$ 4,822</u>	<u>\$ -</u>

**5. Changes In General Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Current Year</u>		<u>Balance</u> <u>June 30, 2002</u>
		<u>Additions</u>	<u>Deletions</u>	
Land	\$ 93,233	\$ -	\$ -	\$ 93,233
Buildings	59,975	-	-	59,975
Improvements Other than Buildings	398,697	13,087	-	411,784
Equipment	<u>35,956</u>	<u>5,962</u>	<u>-</u>	<u>41,918</u>
Total	<u>\$ 587,861</u>	<u>\$ 19,049</u>	<u>\$ -</u>	<u>\$ 606,910</u>

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

**6. Changes In Long-Term Debt**

The following is a summary of debt transactions for the District for the year ended June 30, 2002:

	Balance July 1, 2001	Leases or Certificates Issued	Retirements and Other Reductions	Balance June 30, 2002
Capital Lease Obligations	\$ 6,677	\$ -	\$ 3,862	\$ 2,815
Certificates of Indebtedness	<u>284,000</u>	<u>-</u>	<u>51,000</u>	<u>233,000</u>
	<u>\$ 290,677</u>	<u>\$ -</u>	<u>\$ 54,862</u>	<u>\$ 235,815</u>

Long-term debt at June 30, 2002, is comprised of the following:

Certificates of Indebtedness:

\$400,000 Certificate of Indebtedness dated December 18, 1996; Due in annual installments of \$35,000 - \$50,000 through March 1, 2006; with interest at 5.05%. \$ 180,000

\$92,000 Certificate of Indebtedness dated March 2, 1998; Due in annual installments of \$8,000 - \$14,000 through March 1, 2006; with interest at 5.5%. \$ 53,000

Capital Lease Obligations:

\$17,448 Capital Lease Obligation payable to New Holland Credit Company, dated April 21, 1998; Due in 60 installments of \$364.69; with interest at 10% (Estimated) \$ 2,815

Payments of Certificates of Indebtedness principal and interest are secured solely by an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a fifteen (15) mills tax authorized to be levied in each of the years 1996 to 2006, inclusive. Said special tax has been authorized to be levied on all the property subject to taxation within the corporate boundaries of the District, pursuant to an election held therein on July 20, 1996.

Recreation District No. 39A of Tangipahoa Parish  
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Notes to the Financial Statements (Continued)

June 30, 2002

The annual requirements to amortize all debt outstanding at June 30, 2002, including interest payments of \$30,845 are as follows:

Year ended June 30,	Capital Lease Obligations	Certificate of Indebtedness	Total
2003	2,918	66,005	68,923
2004	-	66,215	66,215
2005	-	65,282	65,282
2006	-	66,240	66,240
	\$ 2,918	\$ 263,742	\$ 266,660
Interest Portion	103	30,742	30,845
	\$ 2,815	\$ 233,000	\$ 235,815

**7. Dedication Of Proceeds And Flow Of Funds - Ad Valorem Tax**

Proceeds of the 10 year special tax of 15 mills on the dollar of assessed valuation on all property subject to taxation in Recreation District No. 39A of the Parish of Tangipahoa (2002 collections \$107,294) are dedicated for the purpose of purchasing and acquiring lands, buildings, equipment and other facilities in the District for recreation to promote the well-being of youths and the general public and to pay the cost of maintaining said facilities with not less than six percent (6%) of the avails of the said tax dedicated to the maintenance of existing parks (Velma, Frazier, Autin) and playgrounds in the District.

The District, through its governing authority, adopted a resolution on November 7, 1996, authorizing the issuance of \$400,000 of Certificates of Indebtedness, Series 1996, for the purpose of purchasing and acquiring land buildings, equipment and other facilities in the District for Recreation purposes. In that Resolution the proceeds of the 10 year special tax were irrevocably and irrepealably pledged and dedicated in an amount sufficient for payment of the certificates authorized and interest as they become due and for other purposes.

The certificate resolution requires that the proceeds of the special tax now being levied and collected by the District is to be deposited with the District's fiscal agent bank in a "sinking fund" (Debt Service Fund) until such time as there is on deposit in the Sinking Fund sufficient proceeds of the tax to pay all principal and interest falling due on the certificate in the ensuing year. After such time as there has been accumulated in the Sinking Fund the amount described in the preceding sentence, any surplus monies derived from the tax may be used by the District for any of the purposes for which the tax is authorized to be levied. The District shall make available from the Sinking Fund to the paying agent at least one (1) day in advance of the date on

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

which each payment of principal and interest on the certificate falls due, funds fully sufficient to pay promptly the principal and interest falling due on such date.

After funds have been set aside out of the revenues of the tax for each tax roll year sufficient to pay the principal and interest on the Certificate for the ensuing calendar year, and all required amounts have been deposited in the Sinking Fund, then any excess of annual revenues of the tax remaining for that tax roll year shall be free for expenditure by the District for the purposes for which the tax was authorized by the voters.

Additionally, the District, through its governing authority, adopted a resolution on January 14, 1998, authorizing the issuance of \$92,000 of Certificates of Indebtedness, Series 1998 for the purpose of purchasing and acquiring land, buildings, equipment and other facilities in the Issuer for recreation purposes, and paying the costs incurred in connection with the issuance of the certificate.

The certificate resolution requires that the certificate be secured by and payable solely from a pledge and dedication of the excess of annual revenues of the Issuer above statutory, necessary and usual charges in each of the fiscal years during which this certificate is outstanding, including the Issuer's \$330,000 of Certificates of Indebtedness, Series 1996, maturing serially on March 1 of the years 1999 through 2006, inclusive (the "1996 Certificates"). The Issuer has covenanted and agreed and does hereby covenant and agree to budget annually a sufficient sum of money to pay the principal of and the interest on the Certificate as it becomes due, and to levy and collect in each year taxes, and to collect other revenues, within the limits prescribed by law, sufficient to pay the principal of and the interest on the Certificate after the payment in such year of all such statutory, necessary and usual charges and the 1996 Certificates.

The balance in the Sinking Fund at June 30, 2002, was in accordance with the certificate covenants.

**8. Compliance With Certificate Covenants**

The District, through its governing authority, adopted a resolution on November 9, 1996, authorizing the issuance of \$400,000 of Certificates of Indebtedness, Series 1996 for the purpose of purchasing and acquiring land, buildings, equipment and other facilities in the District for recreation purposes. That certificate resolution contained certain covenants and agreements in connection with the security and payment of the certificates. The major covenants contained in the certificate resolution and the manner in which the District has complied with these covenants is described as follows:

Sinking Fund - According to the certificate resolution, all of the avails or proceeds of the tax for each tax roll year shall be set aside in the Sinking Fund until such time as there is on deposit in the Sinking Fund sufficient proceeds of the tax to pay all principal and



Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Notes to the Financial Statements (Continued)

June 30, 2002

interest falling due on the certificate in the ensuing year. As of June 30, 2002, the District was in compliance with this certificate covenant.

Securing of deposits of public funds - In the certificate resolution it is required that all monies deposited with the regularly designed fiscal agent bank or banks of the District or the paying agent under the terms of the resolution shall constitute secured funds for the benefit of the owner of the certificate, and shall be secured by said finances at all times to the full extent thereof in the manner required by law for the securing of deposits of public funds.

As of June 30, 2002, the District was in compliance with this Certificate covenant.

Budget - In the certificate resolution as long as the certificate is outstanding and unpaid in principal or interest, the District is required to prepare and adopt a budget prior to the beginning of each fiscal year. A copy of such budget shall be furnished within thirty (30) days after its adoption to the paying agent and owner.

As of June 30, 2002, the District was in compliance with this certificate covenant.

Other Requirements - The certificate resolution contains additional covenants regarding collection of tax, legal right to collection of tax, and other miscellaneous provisions.

As of June 30, 2002, the District was in compliance with these other certificate covenants in all material respects.

**Schedule of Compensation Paid Board of Commissioners**

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Schedule 1

Schedule of Compensation Paid the Chairman and Board of Commissioners

June 30, 2002

Name and Address	Position	Salary	Term Expires
Charles Baglio P.O. Box 187 Independence, LA 70443 (985) 878-6045	Chairman	\$ -	April 22, 2003
Margaret Baglio P.O. Box 187 Independence, LA 70443 (985) 878-6045	Secretary	\$ -	N/A
Charles Toefield P.O. Box 986 Independence, LA 70443 (985) 878-4800	Vice-Chairman / Commissioner	\$ -	April 22, 2007
J.V. Giaccone P.O. Box 394 Independence, LA 70443 (985) 878-2158	Commissioner	\$ -	April 22, 2005
Johnny Santangelo P.O. Box 204 Independence, LA 70443 (985) 878-4700	Commissioner	\$ -	April 22, 2004
Katie Sims 56117 Bickham Chapel Road Amite, LA 70422	Commissioner	\$ -	April 22, 2004
Johnny Polito, Jr. P.O. Box 1372 Independence, LA 70443 (985) 878-2105	Commissioner	\$ -	April 22, 2003
Larry Cardaronella P.O. Box 332 Independence, LA 70443 (985) 878-1905	Commissioner	\$ -	April 22, 2006
		<u>\$ -</u>	

See accountants' report.



## **Other Reports**

**Independent Accountants' Report on  
Applying Agreed-Upon Procedures**

# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
HAMMOND, LA • AMITE, LA

John N. Durnin, CPA  
Dennis E. James, CPA

Member  
American Institute of CPA's  
Society of Louisiana CPA's

September 13, 2002

Mr. Charles Baglio, Chairman  
and the Members of the Board of Commissioners  
Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Recreation District No. 39A of Tangipahoa Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Recreation District No. 39A of Tangipahoa Parish's compliance with certain laws and regulations during the year ended June 30, 2002, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

## Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000 and no expenditures were made for public works exceeding \$100,000. Therefore, the District was in compliance with the provisions of LSA-RS 38:2211-2251.

## Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no employees during the period under examination.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

There were no employees during the period under examination.

#### Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. The original budget was not amended.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on June 7, 2001, which indicated that the budget had been adopted by the Commissioners of Recreation District No. 39A of Tangipahoa Parish by a vote of 6 in favor and none opposed. The budget was not mended.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures for the final budget to actual revenues and expenditures. There were no variances in excess of the 5% limitation.

#### Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

## Recreation District No. 39A of Tangipahoa Parish

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the Chairman and the Board of Commissioners.

### Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Recreation District No. 39A of Tangipahoa Parish is only required to post a notice of each meeting and the accompanying agenda on the door of the town hall building. We witnessed the posted notice of a meeting and reviewed a newspaper copy of the minutes.

### Debt

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposit which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### Advances and Bonuses

- 11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected disbursement records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

Since there were no employees, there were no payroll records to inspect.

### Prior Year Findings

- 8. In our prior agreed upon procedures report dated October 31, 2001 for the year ended June 30, 2001, we reported certain other findings relating to the system of internal accounting control, as described in the accompanying summary schedule of prior agreed upon procedures findings. The District complied with certain budget requirements as outlined in prior year findings.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Recreation District No. 39A of Tangipahoa Parish

This report is intended solely for the use of management of Recreation District No. 39A of Tangipahoa Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Durnin & James, CPAs  
(A Professional Corporation)

## **Findings and Recommendations**



Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Current Year Agreed Upon Procedures Findings  
For the Year Ended June 30, 2002

Findings and Recommendations

None

**Corrective Action Plan For Current Year  
Agreed Upon Procedures Findings**

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Corrective Action Plan for Current Year Agreed Upon Procedures Findings  
For the Year Ended June 30, 2002

<u>Ref #</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
None				

## **Summary Schedule of Prior Agreed Upon Procedures Findings**

Recreation District No. 39A of Tangipahoa Parish  
Independence, Louisiana

Summary Schedule of Prior Agreed Upon Procedures Findings  
For the Year Ended June 30, 2002

Ref #	Fiscal Year Findings Initially Occurred	Description of Finding	Corrective Action	Plan Corrective Action - Partial Corrective Action Taken	Additional Explanation
00-1	June 30, 1997	Government Budget Act	Yes	To adopt budget for all governmental funds prior to the beginning of each fiscal year.	

## **Louisiana Attestation Questionnaire**

## RESOLUTION

**WHEREAS**, the Recreation District No. 39A of Tangipahoa Parish as a part of its compilation of financial statements as of June 30, 2002, and for the one year period then ended, is required to complete the Louisiana Attestation Questionnaire furnished by the Louisiana Legislative Auditor, and,

**WHEREAS**, upon completion, the questionnaire must be presented to and adopted by the Board of Commissioners by means of a formal resolution in an open meeting, and,

**WHEREAS**, the completed questionnaire and a copy of its adoption must then be given to the accountant at the beginning of the attestation engagement. The accountant will, during the course of his attestation engagement, test the accuracy of the responses in the questionnaire,

**WHEREAS**, this Louisiana Attestation Questionnaire was reviewed and all questions answered by the Board of Commissioners of the Recreation District No. 39A of Tangipahoa Parish.

**THEREFORE BE IT RESOLVED** that the Recreation District No. 39A of Tangipahoa Parish hereby adopts this resolution on May 23 2002, by the following roll call vote:

YEAS: 6

NAYS: 0

ABSENT: 1

Margaret Baglio  
Margaret Baglio, Secretary/Treasurer

Charles Baglio  
Charles Baglio, President



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**  
\_\_\_\_\_ (Date Transmitted)

Durnin & James, CPA's

P.O. Drawer 369

Hammond, LA 7040

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [☒] No [ ]

301 No exceptions noted

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No [ ]

302 No exceptions noted

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No [ ]

303 No exceptions noted

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [☒] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [ ] No [☒]

No exceptions noted

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No [ ]

304 No exceptions noted

**Debt**

CDM  
1902  
DJ  
11/8

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

*346- No exceptions noted*

Yes [☒] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

*347- No exceptions noted*

Yes [☒] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Margaret M. Beglin</u>	Secretary	<u>7-09-02</u>	Date
<u>Chris V. Beglin, Jr.</u>	Treasurer		Date
	President	<u>7-09-02</u>	Date